

# WASH DC

## sweatshops

I loved my old job for, among other things, the hour-long lunch break. It seemed an absurd amount of time for consumption, so I spent most of it wandering the narrow South Philly streets. Sometimes I'd explore the maze of crammed blocks south of Washington Avenue and east of Broad Street. Little did I know what went on in those old, cracked-wall buildings humming with activity. The noise of the streets and the blizzard of people never hinted at what occurred inside those different though somehow similar buildings. I only had to look up: many of those buildings concealed sweatshops on their upper floors. Few Americans realize such labor practices still affect tens of thousands of people in their own country.

According to the U.S. General Accounting Office, a sweatshop can be defined as "an employer that violates more than one federal or state labor, industrial homework, occupational safety and health, workers' compensation, or industry regulation law." That could describe the workplace for hundreds of thousands of Americans. In regards to the garment industry, such a description is typical of nearly all workplaces. In and of itself, a "sweatshop" is not illegal. Still, the Department of Labor states that over half of garment shops (22,000 in the U.S.) violate minimum wage and overtime regulations. This is a key element found in cases of sweatshop abuses. According to Sweatshop Watch, government studies reveal that 75 percent of sewing shops are in violation of health and safety laws. Combine sub-minimum wages and inhuman working conditions with relentless physical and verbal abuse, and you have a situation not expected on American shores.

### To Live and Survive in L.A.

"We worked 10 to 12 hours a day for sub-minimum wages and no overtime," explained Esperanza Hernandez, a garment worker for the women's clothing line Forever 21. Hernandez is one of 19 workers who brought a suit against the company, alleging that it owes hundreds of thousands of dollars in minimum wage and overtime pay. Though the workers tried to negotiate with Forever 21's management, the company denied any attempts at a settlement and refuses to cooperate with the state's investigation.

Forever 21 is a sweatshop proprietor in Los Angeles. There are as many as 160,000 garment workers in the city, and over 5,000 garment shops (most said to be sweatshops). The garment laborers often work 12-hour days in hazardous conditions for as low as \$1 a day, despite (or because of) the piles of profit reaped by the retailers and manufacturers of garments: California manufacturers sell about \$18 billion of clothing a year, while retailers in the state rake in \$30 billion from clothing per year.

According to the United States Department of Labor, 61 percent of garment shops in Los Angeles violate wage and hour regulations. In addition, 96 percent were determined to be in violation of health and safety regulations. Los Angeles is not an anomaly, in California or elsewhere. San Francisco-based apparel giant J. Crew, among others, is also accused of wage infractions.

While Do Won Chang, CEO of Forever 21, takes home \$400 million in revenue, "Ninety-eight percent of Los Angeles garment factories have workplace health and safety problems serious enough to lead to severe injuries or death," states Sweatshop Watch.

They also report that in 1999, California governor Gray Davis signed Assembly Bill 633 into law, aimed at harnessing abuses of garment labor such as in the Forever 21 case. The bill implores manufacturers and retailers to pay minimum wage and overtime. Nevertheless, it is estimated that companies owe \$81 million a year in unpaid wages. Since the passage of Assembly Bill 633, \$17,274 has been collected.

Seventy-two illegal Thai immigrants worked in what could truly be described as slave-like conditions in a secret compound in El Monte, California. On August 2, 1995, police raided and closed the sweatshop, exposing to the world the existence of one of the more lurid examples of capitalism gone awry in recent decades.

From outside, the El Monte compound looked like any other apartment complex surrounded by barbed wire and patrolled by gun-wielding thugs. According to Sweatshop Watch, the workers slaved for 18 hours a day — another source claims 22 hours per day. The employers made sure that their employees couldn't do the simplest activity without the most meticulous of monitoring: all phone calls were evaluated and every letter was read. The workers lived within this house of horrors, as many as ten squeezed into a two-bedroom apartment. Their employers forced them to purchase all goods from them, at vastly inflated prices. Typical of sweatshops, the workers faced constant intimidation and threats to both themselves and their families in Thailand. Within the razor-wire fences and dimly lit rooms of the El Monte complex, the workers sewed clothing for retailers and manufacturers such as B.U.M., Tomato, Cheetah, Airtime, and Clio. These products sold in such chain stores as Target, Sears, and Nordstrom.

Due to the efforts of organizations such as Sweatshop Watch, the Thai workers found new homes and new jobs. Yet they faced further persecution at the hands of the INS (Immigration Naturalization Service). All were detained by the INS and were held on \$5,000 bail.

# MADE

## in the u.s.a.

by Casey Boland

Essentially, the Thai workers were transported from one prison to another. Such practice discourages sweatshop workers from exposing the exploitation and oppression they endure. The Thai workers, along with Latino workers from Los Angeles sweatshops, have filed lawsuits and won several significant gains.

### Relationship of Command

The garment industry operates as a "subcontracting system." Within this structure, businesses contract out all production operations. In the United States, almost none of the garment retail and manufacture companies create their commodity in their own factories. The entire market of apparel goods waiting to be bought on shelves across America is manufactured in facilities owned and operated by contractors and subcontractors who are not affiliated with the retailers and manufacturers.

As previously stated, the retailers and manufacturers are the top dogs in the industry. They purchase clothing from the manufacturer. They sell the clothing to consumers. In keeping with the true spirit of competition firmly embedded in the American Way, manufacturers engage in a struggle to outbid one another for orders from the retailers. Like a ferocious illegal dogfight, some manufacturers walk away triumphant, others crawl from the battle beaten, weary, or worse. Given the climate, it is not a surprise that manufacturers want to maintain the lowest production costs possible to appeal to the retailers.

Retailers are a rare breed. Since they are few in number, they can dictate prices. This in turn determines the pace and cost of production. Powerful mergers over the past decade consolidated the might and influence of the minority of mega-retailers. Sweatshop Watch explains, "The 10 largest retailers account for nearly two-thirds of all apparel sales in the U.S. This consolidated buying power vastly increases retailers' ability to put more pressure on the manufacturers in terms of price and speed."

Current labor regulations stipulate that retailers are not responsible for the labor conditions existing in the factories far below them. The subcontracting system fragments the workforce in the garment industry. The major retailers, including Federated Department Stores (Macys and Bloomingdales), Wal-Mart, and K-Mart,

benefit most. They account for 50 to 80 percent of all apparel sales. By imposing prices for work done by the subcontractors, they effectively dictate maximum exploitation of the garment workers — to produce the highest quantity for the lowest cost.

The manufacturer's job is to design and register new lines of clothing. They collect the materials to fill the orders of the retailers. Acting as somewhat of a middleman, the manufacturer works with the retailer and the contractors and subcontractors. Hence, the retailer has no direct contact with the contractors or garment workers.

The contractor works directly with the manufacturer. The responsibility of the contractor is to produce and ship products to the manufacturer. The subcontractor works with the contractor. Subcontractors make specific parts of garments. Each process can then be performed in a different factory, such as sewing, dying and cutting. The different factories send the unfinished portions to the contractor for completion. Both the contractors and subcontractors are by proximity responsible for the conditions in which their employees work. Given their relative anonymity, subcontractors and contractors can easily close up shop and relocate under a different name but with the same roster of clients and employees. It is estimated that there are over 22,000 contractors and subcontractors just in the U.S. There are about 1,000 manufacturers.

### The Big Apple of Apparel

Few cities boast as large a network of garment production as New York City. Raking in some \$20 billion a year, few can hold a candle to the raging inferno of commerce that is the NYC garment industry. (It should be noted that September 11 had a devastating effect on many garment shops. Though the consequences remain unclear, it is certain that many sweatshop workers from NYC fled to other cities, such as Philadelphia, in search of work). According to the Center for Social and Economic Rights, New York City produces 18 percent of all women's outerwear in the U.S., and 25 percent of all dresses. Including all sectors of the garment industry, nearly

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suit is the fault of unions and that the company has been wrongfully accused and misrepresented. They also point out that Saipan is exempt from most U.S. labor laws, despite being classified as an U.S. territory. At least one company, Levi Strauss, has moved its factories out of Saipan. It also refuses to settle.

The case could serve as a major precedent for the garment industry. U.S. District Court Judge Alex R. Munson stated that if the allegations were proven in trial, it could make culpable both factories and retailers "for engaging in a 'conspiracy' to use peonage labor in violation or racketeering laws." Such a finding would make retailers directly accountable for conditions in the factories that manufacture their products.

Many, such as economist Paul Krugman, argue that sweatshops may indeed be deplorable, but are a necessary corollary to global economic development. Apologists for sweatshop labor contend primarily that the wages paid to sweatshop workers is appropriate to their nation and that a job is better than no job. Polemics over the sweatshop issue often reveal the underlying causes for sweatshops. As Global Exchange's Kevin Danahar asserts, "To say a miserable job is better than no job at all is hardly ringing proof of the benefits of so-called 'free trade.' Free-traders like to say that their system offers opportunity. But a job that does not pay a living wage and does not guarantee workers the right to form unions is no real opportunity. Sweatshops are not a sign of progress." Ultimately, the use of sweatshop labor, in the United States and abroad, goes hand in hand with the increasingly global economy and the concurrent drive for profits at unhindered costs. International economic policies such as IMF stipulations and WTO-induced relaxed trade barriers foster the ease with which capital can globetrot from nation to nation. The residual effects are evident in the U.S.: most companies manufacture all goods overseas. And those still operating in the mainland strive to suppress wages. The existence of sweatshops here in our urban centers and rural regions has everything to do with this nebulous buzzword globalization oft spoken in recent times. Yet because of it, sweatshops join the rest of U.S. manufacturing and industry moving south of the border in search of more lax regulations and cheaper labor. The National Mobilization Against Sweatshops states, "The real cause of the spread of sweatshop conditions and sweating structures is the employers' drive to cut labor costs so that they can maintain or raise their profits."

Despite some efforts on the part of the U.S. government to fight sweatshop conditions, they continue to flourish. The

White House Apparel Industry Partnership, founded in 1997, established a Workplace Code of Conduct. Its stipulations reflect those of most who crusade to end sweatshops. Garment companies must disclose who makes their products and where, a living wage must be guaranteed, employees must be free to form unions and bargain collectively, and independent monitoring must be permitted. Many companies currently claim that their factories are monitored, yet most of this work is done by auditors paid for by the company. Critics argue that such monitoring can hardly be thorough or impartial.

Also important in the maintenance and perpetuation of sweatshop conditions is the fact that no stores, brand names, or retailers have committed themselves to adopting anti-sweatshop precepts. With few complaints against them and customers rushing to buy more commodities created under the harshest of conditions, they clearly see no need to fix what they feel isn't broken. Unless they see a serious threat to their profits, such companies will continue to use sweatshop labor. As noted earlier, retailers are not legally responsible for what occurs in the production process. As Sweatshop Watch states, "Sweatshops will be cleaned up only when manufacturers and retailers with private labels are legally responsible with their sewing shops for wages due to employees."

On a day when the clouds assaulted the city in a volley of thundershowers, I walked the streets of Chinatown aware for the first time that sweatshops weren't something that existed tens of thousands of miles away; they were a few feet above me. An elementary school teacher explained to me that she grew up, as everyone in Chinatown did, knowing like the sky above their heads that sweatshops were an intrinsic way of life, a common means of employment. Andrew Ross, author of *No Sweat: Fashion, Free Trade and the Rights of Garment Workers*, remarked: "Sweatshop conditions flourish when they are well hidden." With revelations of sweatshops in places such as Kentucky and Louisiana, it is clear that much more remains to be revealed about the tens of thousands of people working in sweatshops across America. ★

Resources on buying sweatshop free clothes and more information:  
[www.behindthelabel.org](http://www.behindthelabel.org)  
[www.coopamerica.org](http://www.coopamerica.org)  
[www.sweatshopwatch.org](http://www.sweatshopwatch.org)  
[www.sweatshops.org](http://www.sweatshops.org)  
[www.uniteunion.org](http://www.uniteunion.org)  
[www.corpwatch.org](http://www.corpwatch.org)  
[www.cesr.org](http://www.cesr.org)  
[www.cswa.org](http://www.cswa.org)  
[www.aaldef.org](http://www.aaldef.org)  
[www.nmass.org](http://www.nmass.org)

# A CLOSER LOOK

## § Abercrombie & Fitch

In addition to being among the hippest outfitters of U.S. youth and young adults, Abercrombie & Fitch are among the crew of companies using sweatshop labor in Saipan. Thanks to boy bands donning their wares and singing their praises, the garment company nets a profit of \$1.2 billion. CEO Michael S. Jeffries earns an annual compensation of \$4 million. Workers on Saipan earn \$3.05 or less an hour.

## § Calvin Klein

Though the company experienced a slew of controversies during the '90s (such as allegations that some of their ad campaigns were on par with child porn), Calvin Klein remains wildly successful. Calvin himself made the Forbes Top 100 in 2000 with a cool earnings of \$21.5 million. The company is owned by the Warnaco Group, which uses sweatshop labor in Saipan.

## § Gap, Inc.

Gap, Inc. maintains a cornucopia of sweatshops across the world, it also utilizes Saipan workers in the construction of its popular garments. Gap leads a struggle to eliminate a suit brought against companies accused of using sweatshops in Saipan. Gap has suffered falling profits recently, yet saw annual sales of \$13.7 billion. CEO Millard "Mickey" Drexler boasts an annual compensation of \$8 million.

## § J. Crew

J. Crew is yet another company exploiting "guest workers" in Saipan for all of their physical worth. Though the company was at press time considering settling in the case against it, J. Crew also reportedly used factories of reputed sweatshop status in California. Annual J. Crew sales hovered around \$826 million. Chairperson Emily Woods' rakes in \$2 million.

## § Levi Strauss & Company

Although they adopted "Global Sourcing and Operating Guidelines" in March 1992. Yet a critic demurred: "Documented visits to Levi's production sites present evidence that repeatedly shows that the company's code has not been implemented." Their "guidelines" exhibit flaws such as not providing wage guarantees, stipulating a 60-hour workweek, and not using independent monitors. Levi Strauss saw 2001 net sales of \$4.3 billion. It has pulled manufacturing out of Saipan.

## § The Limited

The Limited owns many of the popular women's retail outlets (Express, Lerner NY, New York & Company, The Limited, as well as Victoria's Secret). With 2001 earnings soaring near \$8.8 billion, one may think that the company could splurge on a couple bucks extra per day for their employees. Yet The Limited is among the few who refuse to settle the suit in Saipan. The Limited also faced suits for wage violations in sweatshops in New York City during the '90s.

## § Wal-Mart

Wal-Mart is the largest retailer in the world. It reported annual sales of \$137.6 billion, which is more than the GDP (gross domestic product) of 155 nations. It is also one of the most oppressive yet furtive in dealing with those who makes their products. Wal-Mart does not disclose who makes their commodities and where they are made. One known location is Saipan, from which the company imported 7.3 million pounds of garments between 1994 and 1998. The retail value was approximately \$88 million. Wal-Mart claims to have a code of conduct, yet the National Labor Committee states: "Young women (are) fired and deported for becoming pregnant, refusing to work overtime without pay, or complaining about working or living conditions."